

HOUSE BILL No. 2550

By Committee on Insurance

Requested by Representative Sutton

1-27

1 AN ACT concerning health and healthcare; relating to certain 340B
2 entities under the federal 340B drug pricing program; requiring such
3 entities to annually report to the Kansas department of insurance on
4 certain costs, savings and payments made under such program;
5 requiring the Kansas department of insurance to publish such reports on
6 the department's website; authorizing the commissioner of insurance to
7 adopt rules and regulations necessary to effectuate and administer the
8 provisions of this act.
9

10 *Be it enacted by the Legislature of the State of Kansas:*

11 Section 1. As used in this act:

12 (a) "Department" means the Kansas department of insurance.

13 (b) "Commissioner" means the commissioner of insurance.

14 (c) "Hospital" means a hospital as defined in K.S.A. 65-450, and
15 amendments thereto, that is a 340B entity. "Hospital" includes rural
16 hospitals licensed under K.S.A. 65-484, and amendments thereto, that are
17 340B entities.

18 (d) "340B contract pharmacy" means a pharmacy that has a contract
19 with a 340B entity to receive and dispense 340B drugs to such 340B
20 entity's patients on behalf of such 340B entity.

21 (e) "340B drug" means a drug that is purchased or eligible for
22 purchase under section 340B of the federal public health service act, 42
23 U.S.C. § 256b(a)(3), as in effect on July 1, 2026.

24 (f) "340B entity" means an entity participating in the federal 340B
25 drug pricing program, as described in 42 U.S.C. § 256b, as in effect on
26 July 1, 2026, including such entity's pharmacy, or any pharmacy
27 contracted with the participating entity to dispense drugs purchased
28 through the federal 340B drug discount program.

29 (g) "340B program" means the federal drug pricing program under
30 section 340B of the federal public health service act, 42 U.S.C. § 256b, as
31 in effect on July 1, 2026.

32 Sec. 2. (a) On and after January 1, 2027, each hospital participating in
33 the 340B program shall provide an annual report to the department. Each
34 hospital shall report in a form and manner prescribed by the commissioner,
35 and include, at a minimum:

1 (1) A description of how the hospital uses savings from participation
2 in the 340B program to benefit such hospital's community through
3 programs and services funded in whole or in part by savings from the
4 340B program, including services that support community access to care
5 that the hospital could not continue without savings from the 340B
6 program;

7 (2) the annual estimated savings from the 340B program to the
8 hospital, comparing the acquisition price of drugs under the 340B program
9 to group purchasing organization pricing. If group purchasing organization
10 pricing is not available for a drug under the 340B program, the acquisition
11 price for that drug shall be compared to a price from another pricing
12 source, as prescribed by the commissioner;

13 (3) a comparison of the hospital's estimated savings under the 340B
14 program to the hospital's total drug expenditures, including examples of
15 the hospital's most frequently purchased drugs under the 340B program;
16 and

17 (4) a description of the hospital's internal review and oversight of the
18 340B program that satisfies the federal department of health and human
19 services, health resources and services administration's program rules and
20 guidance for compliance.

21 (b) (1) In addition to the requirements in subsection (a), commencing
22 on January 1, 2027, each hospital shall provide an annual report to the
23 department. The department shall post such report on the department's
24 publicly accessible website. Each hospital shall report, in a form and
25 manner prescribed by the commissioner, at a minimum, the:

26 (A) Hospital's national provider identification number;

27 (B) name of the hospital;

28 (C) address of the hospital for the purpose of accepting service of
29 process;

30 (D) classification of the hospital;

31 (E) aggregated acquisition cost for the prescription drugs obtained
32 under the 340B program;

33 (F) aggregated payment amount received for the prescription drugs
34 obtained under the 340B program and dispensed to patients;

35 (G) number of pricing units dispensed or administered for
36 prescription drugs described in subparagraph (F);

37 (H) aggregated payments made:

38 (i) To 340B contract pharmacies to dispense 340B drugs;

39 (ii) to any other entity that is not the 340B entity nor a 340B contract
40 pharmacy for managing any aspect of the hospital's 340B program; and

41 (iii) for all other expenses related to administering the 340B program;
42 and

43 (I) number of claims for prescription drugs described in subparagraph

1 (H).

2 (2)(A) The information required under this subsection shall be
3 reported by payor type, as required by the commissioner.

4 (B) The information required under subparagraphs (E) through (G)
5 shall also be reported at the national drug code level for the 50 most
6 frequently dispensed prescription drugs by the hospital under the 340B
7 program. The information shall include all physician-administered and
8 physician-dispensed prescription drugs.

9 (c) The department shall produce and post on the department's
10 publicly accessible website a report that includes a summary of the
11 aggregate information received from hospitals required to report under
12 subsection (b).

13 (d) The commissioner shall adopt all rules and regulations necessary
14 to implement and administer the provisions of this act. Such rules and
15 regulations shall be adopted not later than January 1, 2027.

16 Sec. 3. This act shall take effect and be in force from and after its
17 publication in the statute book.